

**Department of  
Veterans Affairs**

**Memorandum**

*CH 5/9/98*

Date: May 05, 1998

From: Frank W. Sullivan, Deputy Assistant Secretary for Financial Management (047)

Subj: Federal Register Notice – Federal Government Participation in the Automated Clearing House, Proposed Rule

To: Cynthia L. Johnson, Financial Management Service, Department of the Treasury

The Department of Veterans Affairs finds the Department of the Treasury, Financial Management Service's proposal, 31 CFR Part 210, Federal Government Participation in the Automated Clearing House, to be a favorable one. The proposed rule does clarify government agency and financial institution roles, responsibilities, and liabilities associated with government Automated Clearing House (ACH) transactions by adopting the ACH rules with some exception and incorporating the procedures and guidelines from the Green Book.

With regard to vendor payments and enrollment for Electronic Funds Transfer (EFT) payments, we find there are several factors which have delayed enrollments. As we increase the number of vendors paid by EFT, the number of inquiries from these vendors needing payment information increases because some banks are still not capable of or are unwilling to provide the addenda data. Another factor which is delaying vendors from enrolling is the cost imposed on them from their financial institutions to receive their remittance information. We plan to submit a request to participate in the Austin Financial Management Service's remittance delivery pilot, Payment Advice Internet Delivery (PAID), which we believe will address vendors' needs. However, that service is now limited to CCD+ transactions. We strongly encourage expanding it to include CTX.

We appreciate the opportunity to submit our comments.

*for* *Frank W. Sullivan*  
Frank W. Sullivan

*ACH #0021*